



# Arizona Department of Transportation

## TEMPORARY FURLOUGH PROGRAM

February 19, 2009

### FREQUENTLY ASKED QUESTIONS:

#### **1. What is a furlough?**

A furlough is the placement of an employee in a temporary, non-duty, non-pay status. A furlough results in no change to the employee's job responsibilities and does not involve a change in employment status.

#### **2. Why are we being furloughed?**

ADOT must reduce its FY09 expenditures by a significant amount by June 30, 2009. The State's General Fund is coping with significant reductions in tax revenues. The State Highway Fund, which supports ADOT, is also experiencing a significant reduction of revenue, and other funds we rely upon, such as the State Aviation Fund, have been heavily impacted as well. This means cutbacks in all areas in order to continue operating, which unfortunately includes reducing payroll expenses. To help reduce expenditures, a hiring freeze, except for certain critical positions, has been in place since February 2008. Nonetheless, ADOT still needs to further reduce expenditures in order to maintain minimal cash balances necessary to sustain operations. So, after much deliberation, the necessity of implementing an employee furlough program became evident.

There are many unknown at this time, and additional actions may be necessary to reduce expenditures. You will be informed if such actions are necessary. In the meantime, please continue to save money wherever and whenever you can. Every dollar saved helps.

#### **3. How long is the furlough program expected to last?**

The furlough program is in effect until at least June 30, 2009. Once the FY10 budget reductions are known, the furlough program will be re-evaluated and any changes will be communicated to all employees.

#### **4. Which employees will be furloughed?**

All employees, whether covered or uncovered, manager or subordinate, will be required to take furloughs, unless exempted by the ADOT Director. Exemptions will be approved only for highly mission-critical needs and will be decided on a case-by-case basis.

#### **5. How often will I be required to be furloughed?**

All employees, unless exempted by the Director, will be required to take one furlough day per pay period, starting with the pay period beginning on **February 21, 2009**.

#### **6. What is the difference between a furlough, a layoff, and a reduction in force (RIF)?**

A furlough requires employees to work fewer hours, achieving cost reductions for the Department. A RIF or layoff accomplishes cost reductions through terminations of employment, which the Department hopes to avoid. A RIF affects covered employees and must be conducted in accordance with the Personnel Rules, while a layoff affects uncovered employees and involves an involuntary separation.

#### **7. How will furloughs affect me if I work a part-time schedule?**

Employees on part time schedules will also take a furlough day each pay period, but the number of hours will be proportionally less for each furlough day. For example, an employee normally working 60 hours per pay period will be required to take a furlough day of 6 hours rather than 8 hours, and an employee normally working 40 hours per pay period will be required to take a furlough day of 4 hours. For part time employees who are eligible for benefits, furloughs alone will not affect their benefits eligibility (for benefits info, see question # 21 below).

**8. How do I mark furlough hours on my Biweekly Timesheet (BTS)?**

You are to record all furlough days on your BTS using payroll code **640**, Leave Without Pay (LWOP), and the new Attendance Code of **"FR"**. Attendance codes are recorded in the column of the BTS titled "AC". If you have any questions about how to properly code your furlough, ask your Timekeeper.

**9. Won't some employees have to work overtime to make up for work not done because of furloughs?**

No. The requirement to take furloughs is because of our budget reductions, which means that funds are not available for overtime either. Overtime will only be available for emergencies and must be approved by the Division Director.

**10. Do furlough hours count toward hours worked for overtime purposes?**

No. Furloughs are approved absences from work. Only when the number of hours you have physically worked in a week reaches 40 will you be eligible for overtime if you have to work more hours.

**11. Can I grieve my furlough?**

No. Being placed on the furlough program and being required to take furloughs is not grievable. However, if you are a covered employee and believe you have not been fairly scheduled for a furlough, you can request a review. You must request the review within three working days of being scheduled for the day. Your request can be in memo format and should fully explain what the issue is and contain your suggestion for a resolution. Reviews are submitted to your Division Director, who will respond to you within three working days. Please note that your request for a review will not cause your furlough day to be postponed or cancelled while awaiting the results of the review.

**12. Is the hiring freeze still in effect?**

Yes. The hiring freeze will continue to be in effect. It is also an important part of our overall strategy to address funding shortages. There can be exceptions to the hiring freeze only for mission critical positions. All exceptions must be approved by the Director of the Arizona Department of Administration.

**13. Will I be required to handle call-back responsibilities when I am on furlough?**

Yes, if you are normally subject to call-back, you will continue to be required to handle those responsibilities. However, since call-back requirements are only scheduled for hours when employees are normally off work, and furloughs will occur only during hours when employees would normally be at work, furloughs and call-back (if you are subject to it) will not overlap or conflict with each other.

**14. Are employees allowed to use paid leave to compensate for their furlough days?**

No. Paid leave, such as annual leave, may not be used on or in lieu of any furlough day.

**15. What happens if I am currently on pre-approved annual leave when the furloughs are implemented?**

You will be required to take your furlough days during your leave according to the furlough schedule and you will not be allowed to use paid leave for those days.

**16. What happens if I have a pre-approved FMLA or other approved medical absence when the furloughs are implemented?**

Your pre-approved FMLA will not be changed, but any future FMLA will be subject to the furlough requirement. If you have an approved Intermittent FMLA, furloughs will be scheduled on days when you are not on FMLA. All other medical absences are subject to the furlough requirement.

**17. What happens if I must take FMLA and apply for it after the furloughs are implemented?**

Your FMLA will be subject to the furlough requirements.

**18. Can a furlough day be scheduled on a holiday?**

No. If you have a furlough day scheduled on a holiday, the furlough day must be re-scheduled to another day.

**19. What happens to my holiday pay eligibility if a furlough day falls on the day before or the day after a holiday?**

Furloughs are considered an excused absence for holiday pay eligibility purposes. Employees scheduled for a furlough on a day before or after a holiday will remain eligible for holiday pay.

**20. Can I use my sick and annual leave on non-furlough days?**

Yes, you can use your sick and annual leave normally on non-furlough days, with your supervisor's approval as usual.

**21. Can an employee on paid military leave be scheduled for furlough?**

No. Employees who qualify to be on paid or unpaid military leave will not be scheduled for furloughs, but will resume being subject to furloughs when they return to work, if the furlough program is still in effect. They will take their furlough in any pay period in which they have normal work days not covered by paid or unpaid military leave.

**22. Will furloughs affect my benefits?**

A furlough by itself will not affect employee benefits. However, if an employee's overall leave without pay hours, **excluding** any furlough hours, will be more than 40 hours in a pay period (20 hours a week) for any reason, their benefits may be affected. Contact the Human Resources Office for details if you are in danger of falling below 40 hours in a pay period.

**23. Can I do anything with my health benefits since I will be receiving less money due to the furloughs?**

The ADOA Benefits Options office considers that the requirement to take mandatory furlough days is a Qualified Life Event (QLE) and will allow employees to modify their health benefits because of it. Additionally, once the requirement to take mandatory furlough days expires and the employee returns to their regular work schedule, that also will be a QLE that will allow the employee to modify the health benefits again (such as, to restore their benefits options to what they were before changing them because of the mandatory furloughs). Any changes would need to be made within 31 days of the event. If you wish to change your benefits options due to the furloughs, or wish to discuss your benefits for any other reason, please contact the ADOT Human Resources Office at 602-712-8188 for assistance.

**24. If I happen to get injured on a furlough day, will I still be covered under Short Term Disability (STD)?**

Furlough is considered an excused absence and you will still be considered in an "actively at work" status under STD rules. If you elected to have coverage for STD through payroll deduction, you will still be allowed to

file a claim to receive STD benefits. Contact the ADOT Human Resources Office if you have questions or need assistance.

### **25. How does a furlough affect my retirement benefits?**

A furlough reduces an employee's salary or wages and therefore reduces the contributions made to their ASRS retirement account. If you are nearing retirement, this reduction potentially reduces the average salary or wages that ASRS will use in your retirement pay calculations. ASRS has developed information for members explaining the impacts of furloughs. Please review these ASRS information sheets: [Special Notice - Information of Furloughs, Salary Reduction Programs and Fact Sheet - Furloughs and Salary Reductions](#).

### **26. Will I be required to meet production output requirements?**

Employees required to take furloughs will still be required to meet all existing production and performance standards for the time they actually work. However, management may re-evaluate and adjust production and performance standards as necessary to reflect the loss of available work days due to furloughs.

### **27. May I volunteer for additional furlough days?**

Yes, you may. Any employee may volunteer for additional furlough days, however, additional voluntary furlough days may not be used to substitute for required furlough days in later pay periods. If interested, please ask your supervisor for information on how to apply for additional days.

### **28. Am I eligible to draw unemployment insurance benefits for my furlough days?**

Eligibility for Unemployment Insurance benefits is determined by the Arizona Department of Economic Security. However, please be aware that unemployment insurance benefits are typically approved only for periods of one or more full weeks of unemployment, and the first full week (called a "waiting week") is not payable. You can read more about Unemployment Insurance benefits and the application rules in the DES publication, [A Guide to Arizona UI Benefits](#).

### **29. If I am a salaried employee and not an hourly employee, how will furloughs affect me?**

If you are classified as "Exempt" under the federal Fair Labor Standards Act, meaning that you are paid a weekly salary instead of needing to work or use paid leave in order to receive pay, you will become an hourly employee during each week in which you have a furlough day. If this applies to you, or if you want to learn more, please refer to question #30.

### **30. What does Exempt and Non-exempt mean?**

The federal Fair Labor Standards Act (FLSA) defines how job positions are classified, and those classifications determine whether an employee is considered an hourly employee with rights to overtime pay, or whether they are salaried employees who receive a set weekly salary regardless of how much work they perform, so long as they do perform some work in that week. Classifying positions is a complicated matter involving a variety of tests. Those tests basically revolve around the position's level of responsibility, required technical expertise, supervisory duties, as well as other factors, which together determine who is an hourly employee and who is a salaried employee.

Hourly employees are called "Non-exempt" because they are not exempt from the overtime rules. Hourly employees must be paid for every hour they work, and if the number of those hours exceeds 40 in a single week, then they must be paid overtime. Basic overtime is time and a half.

Salaried employees are called "Exempt" because they are usually exempted from the overtime rules. In the State's personnel system, their salary is based on an hourly rate times the number of hours per week they should usually need to work in order to perform their job correctly. A full-time weekly salary is the hourly rate

times 40, a 3/4 time weekly salary is the hourly rate times 30, etc. For any week in which they perform some of their duties, they are guaranteed under the FLSA to receive their full weekly salary.

Under the FLSA, Exempt employees who work for a State or local government may be further differentiated. Those whose duties are at a lower level are still salaried, but if they actually work more than 40 hours in a week they may receive one additional hour of pay for each hour of overtime. They are simply referred to as "Exempt". Those whose duties are at a higher level are totally excluded from all overtime regardless of how many hours over 40 they might work, and so they are called "Excluded".

Covered employees may be either exempt or non-exempt, but most non-exempt employees are covered. Uncovered employees may also be either exempt or non-exempt, but most exempt employees are uncovered, and virtually all of those who are also "excluded" are uncovered.

### **31. How can I tell whether I am exempt under the FLSA?**

This is easy if you know your current Position Number. Position Numbers are on your Position Description Questionnaire (PDQ) and look like this: ADT009000AAN. The part you are interested in is the last character. In this example it is an "N", which indicates that you are Non-exempt under the FLSA. If it is an "E" or an "O", then you are Exempt. Those are the only three characters that will appear at the end of a Position Number. (The "E" or "O" means that you are either "exempt" or "excluded" under the Personnel Rules, respectively, but both of these are classified as Exempt under the FLSA.)

If you do not know whether you are Exempt or Non-exempt and do not know your current Position Number, please ask your supervisor or contact the ADOT Human Resources Office.

### **32. Will I be able to keep my alternate or condensed work schedule?**

In most cases, yes. Any employees on a 4x10 work schedule (four 10-hour days per week) may keep that schedule, subject to their supervisor's approval.

Non-exempt employees (see question #30) may keep their 9/80 work schedules (working four 9-hour days in each week of a pay period, together with an 8-hour day in one of those weeks), subject to their supervisor's approval. However, their furlough day must be scheduled on that single 8-hour day and not on one of the 9-hour days.

Exempt employees (see question #30) will be required to revert to regular 5x8 work schedules while the furlough program is in effect, or they may go on to 4x10 work schedules with their supervisor's approval. The reason why "9/80" work schedules are being suspended for Exempt employees is that, as explained in Exhibits 2 and 3 of ADOT Policy and Procedure PER-4.02, Alternate/Condensed Work Schedules, the available 8-hour day contained in those schedules is a "split day", meaning that those 8 hours are split at 12:00 noon, with the first 4 hours belonging to one workweek and the second 4 hours to the next workweek. Because of this, if that day is used as the furlough day, then the employee would become Non-exempt in *both* weeks.

Telecommuting will still be allowed, but not on furlough days.

### **33. What other resources are there available to help?**

The ADOT Employee Assistance Program, CONTACT, provides a variety of services that may be helpful while dealing with the stresses that can be caused by reduced incomes and the uncertainty associated with economic crises. If you feel you need assistance, please call CONTACT at 1-800-222-8335 to schedule a discussion with a counselor.

The ADOT Employee Relations Unit may also be able to identify other resources based on your particular needs. Just contact the ADOT Human Resources Office at 602-712-8188 and ask for Employee Relations.

### **34. If I have other questions, who can I contact?**

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Please contact the ADOT Human Resources Office at 602-712-8188. Your call will be directed to the person best able to answer your specific question(s).